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This month we high-light the McAllen Division of our district. McAllen is a major land port linking the United States and Mexico. McAllen's industries include tourism, manufacturing, refining, food processing, packing and shipping.

Assistant U.S. Attorneys of the McAllen Office are responsible for cases arising from Hidalgo and Starr Counties. The metropolitan area consisting of the cities of McAllen, Mission, and Edinburg experienced a 20 percent population increase between 1990 and 1996. These two counties are situated along a 175-mile stretch of the Rio Grande with seven ports of entry and an international airport. Directly across the border from McAllen is the City of Reynosa which has an estimated population of 700,000. Just 135 miles to the southwest of McAllen is Monterrey, Mexico with a population of over 2.5 million.

Hidalgo and Starr Counties are busy regions for narcotics and immigrants entering the United States. The majority of the McAllen cases involve drug trafficking and immigration offenses. The cases highlighted in this newsletter represent the nature of the litigation docket in this important and busy office. Your comments and suggestions are always welcome at www.usdoj.gov/usao/txs or be e-mail: usatty.txs@usdoj.gov.

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FEDERAL AGENT CHARGED WITH CIVIL RIGHTS VIOLATION

U.S. Border Patrol Agent David Sipe, 29, was charged with depriving a Mexican citizen of the right to not be deprived of liberty without due process of law. The indictment specified that this liberty included the right of one to be secure in his person from the use of unreasonable force by someone acting under color of law. The federal indictment states that Sipe intentionally struck the man he apprehended in the head with a flashlight causing bodily injury. Sipe faces a term of imprisonment of up to ten years and a maximum potential fine of \$250,000.

AUSA: Ruben R. Perez & Frederick A. Menner;
AGENCY: U.S. Dept of Justice OIG.

Wearing a uniform does not give any individual a licence for violence.

Bill Lann Lee, Asst. Attorney General for Civil Rights

RIO GRANDE VALLEY MINISTER ADMITS ROLE IN DRUG TRAFFICKING RING

Gabriel Rodriguez, an evangelical minister in McAllen and owner of El Bendecido (The Blessed) Auto Sales in Alamo, pled guilty to distributing over 1000 kilos of marijuana and to money laundering charges. Rodriguez was part of a drug trafficking organization that used nominee purchasers to buy cars for hauling the drugs and employed multiple couriers to do the driving. Several stash houses were rented for storing and packaging marijuana and the currency the business generated. Several members of the organization have been previously convicted of drug and money laundering conspiracy. From 1992 until this year, the organization smuggled marijuana from the Rio Grande Valley to Houston and beyond to their out-of-state buyers. The leaders of the organization included Jose Rodriguez who owned a second-hand refrigerator shop which operated as a front for the conspiracy. Law enforcement agencies made nearly 40 seizures of marijuana, many of which occurred at the U. S. Border Patrol checkpoints in Sarita and Falfurrias. AUSA: Eric Reed, John Patrick Smith, and Luis Martinez; AGENCY: ODETF.



FRAUD SCHEME VICTIMIZED PERSONS SEEKING RESIDENT ALIEN STATUS

The U.S. Department of Justice's Office of Inspector General began an investigation when their McAllen Field Office received information that William Azucar, 33, of Alamo, Texas was engaged in questionable activities with INS applications. The OIG investigation looked into the manner in which Azucar would recruit potential victims by claiming to help them file applications with the INS for Resident Alien status and U.S. citizenship. The investigation led to charges being filed against Azucar, and in October he pled guilty before U. S. District Judge Filimon Vela in McAllen. AUSA: Charles Dause.

Anyone with questions or information regarding possible fraud in the process of applying for citizenship, resident alien status or other immigration procedures should contact the Dept. of Justice, Office of Inspector General in McAllen @
(956) 618-8145

TEXAS RANGERS TEAM WITH IGS IN INVESTIGATION OF FEDERAL COUPLE

Bryan Brown worked as a Special Agent with the U. S. Customs Service; his wife Sylvia Longoria Brown was a contract employee with the U. S. Marshal's Service. The joint investigation of the Department of Treasury Inspector General's Office, the Department of Justice IG's Office, and the Texas Rangers led to the arrest of the pair in McAllen where both worked. The Browns entered

guilty pleas to the charge of accepting a \$3,500 payment in return for information related to the sentencing of a federal defendant. The Browns will be sentenced in January by U. S. District Judge Filemon Vela. They face up to two years in prison and a fine up to \$250,000. AUSA: Larry Eastepp.

TRADING PLACES

This summer Javier Orozco was a federal prisoner in the Starr County jail. He had been convicted in a drug trafficking conspiracy case involving over 1,000 kilos of marijuana. Reynaldo Ponce worked at the jail.

Orozco escaped from the County Jail prior to his sentencing. Investigation by the U.S. Marshal's Office and the Starr County Sheriff's Office led to Ponce and Juan Alaniz of Roma. Investigators learned that Ponce and Alaniz assisted Orozco in his escape by providing tools among other things. Orozco remains a fugitive. Ponce and Alaniz will be serving time in federal prison. AUSA: Terry Leonard.

DRUG TRUCKERS SENTENCED

Juan Gonzalez of Donna was sentenced to 24 years; Jose Barrera of San Juan will spend 12 years in federal prison. McAllen and Houston-based investigators agents with DEA, IRS, Customs and Texas DPS amassed evidence of Gonzalez and Barreras' roles in a multi-state cocaine transportation ring. The OCDETF investigation showed that Gonzalez distributed over 3,000 kilos of cocaine and over 15,000 kilos of marijuana. Barrera helped load cocaine into tractor trailers in the Rio Grande Valley for transport to the New Jersey & New York area. AUSA Bob Stabe;

DRUG TRAFFICKING

Drug Trafficking in the district ranges from distribution operations to smuggling enterprises that transport huge amounts of narcotics.

TWENTY-FIVE YEARS FOR LEADER OF CORPUS CHRISTI DRUG RING

A three-year investigation into drug trafficking in the Corpus Christi area has meant long prison terms for four men. Twelve other members of the drug trafficking organization have been charged and convicted and are awaiting sentencing in this case. U. S. District Judge Janice Jack in Corpus Christi sentenced the ring leader, Silvester Maldonado, to 25 years in prison. Co-conspirators Anthony Gonzales received over 19 years, Manuel Camacho, 17 years, and Jose Angel Alejandre, 4 years. This was an Organized Crime Drug Enforcement Task Force (OCDETF) investigation conducted by the FBI, DEA, U. S. Customs Service, INS, IRS-Criminal Investigative Division, DPS, Nueces County Sheriff's Office and the Corpus Christi Police Department. The investigation revealed that the organization transported and distributed in over 250 pounds of methamphetamine and multi-kilogram quantities of cocaine within the Corpus Christi area. Gonzalez, Camacho and Alejandre assisted Maldonado by storing the drugs and facilitating the sale of the drugs. AUSA: Patti Booth.

CORPUS CHRISTI MEN WERE DRUG LINK BETWEEN BORDER AND CHICAGO

A DEA investigation identified William Salem as the head of a drug trafficking operation that had transported between sixty to eighty thousand pounds of marijuana and multi-kilograms of cocaine from the Rio Grande Valley to Virginia and Chicago during the past several years. Salem

was arrested, convicted and recently sentenced to 210 months. A co-conspirator, Cass Beverly, was sentenced to 46 months. One other man is awaiting sentencing for his participation in this Corpus Christi-based drug organization. AUSA: Robert Galvan.

COUNTRY CRACK

Fifteen men and women were arrested for distribution of crack cocaine in LaGrange, Schulenburg, and Columbus, Texas. The defendants, ranging in age from 19 to 57, were each charged with distribution of crack cocaine. These charges carry penalties of up to 20 years in prison and a \$1 million fine. The indictments were a result of a cooperative effort with Fayette County Colorado County District Attorneys. AUSA: Tim Hammer; AGENCY: FBI, Fayette Co. Sheriff's Office, LaGrange PD, Schulenburg PD, 24th & 25th Judicial Dist. Narcotics Task Force, Colorado Sheriff's Office, Columbus PD, TX-DPS.

HOUSE HUNTING IN THE RIO GRANDE VALLEY GOES BAD

Mark Martinez and Albert Reyes, both of Houston, were attempting to purchase a ranch in Cameron County near Harlingen. Their troubles started when officers stopped their car and found \$41,000 cash in the car. The officers seized the currency when neither Martinez nor Reyes claimed ownership or knowledge of it. Follow-up investigation later led to a nearby ranch which Reyes was attempting to purchase. Investigators found a stash of marijuana and cocaine at the property. Reyes was arrested at the ranch, Martinez fled and was arrested after a car and foot chase near the Rio Grande Valley property. Both men were indicted for conspiracy and possession with intent to distribute controlled substances. Reyes and Martinez were convicted following a 2 day trial in Brownsville. They will be sentenced in February by U. S. District Judge Hilda Tagle. The defendants face a maximum of 40 years, and up to \$2,000,000 in fines. AUSA: Michael Rodriguez & Jody Young; AGENCY: U.S. Customs, Cameron Co. Sheriff's Office, & Harlingen PD.

**BORDER PATROL DOG WELCOMES
CUBAN TO STAY FOR A WHILE**

When Rene Bravo-Gonzalez came through the checkpoint in Laredo, Border Patrol Agents searched for drugs after a dog alert on his vehicle. Agents discovered 277 bundles of marijuana weighing over 1,000 pounds. U.S. Chief District Judge George Kazen sentenced Bravo-Gonzalez, a 31-year-old Cuban national, to fifty-two months and a \$2,500 fine for marijuana distribution. AUSA Jim Noble; AGENCY: DEA & Border Patrol.

**BORDER PATROL INTERRUPTS LOADING OPERATION,
SEIZE TONS OF MARIJUANA**

U.S. Border Patrol Agents performing line watch operations at the Rio Grande river near Laredo observed two trucks approaching another truck with a horse trailer. When the agents approached the trucks, approximately 8 people jumped out of the trucks and ran towards the river. An inspection of the abandoned truck revealed 47 bundles of marijuana weighing approximately 2,600 lbs. Agents approached the truck with the horse trailer and found Roman Cuellar sitting in the driver seat and Omar Cuellar sitting in the passenger seat. Omar Cuellar immediately began telling the agents that the marijuana was his and that his brother Roman knew nothing about it. Later that same evening, Roman confessed to agents that he knew something illegal was afoot. The next morning, when agents returned to the ranch to recover the remaining pickup and horse trailer, they discovered an additional 3,082 lbs. of marijuana hidden in the brush near the truck and horse trailer. A check with the Texas Department of Transportation revealed that all three vehicles were registered to Roman Cuellar. The two brothers were convicted in Federal District Court in Laredo and are awaiting sentencing. AUSA Jim Noble; AGENCY: DEA & Border Patrol.

SMUGGLING MARIJUANA THE OLD FASHIONED WAY

Margarito Dominguez was arrested by Border Patrol Agents performing line watch duties along Mines Road near Laredo. Agents had observed twenty subjects approach from the Rio Grande River carrying bundles and loading them onto the bed and cab of a pick-up truck. The truck was driven by Dominguez who attempted to abscond

into the brush when approached by Agents. Dominguez, 44, of Mexico was arrested and charged with possession with intent to distribute 1,434 pounds of marihuana. He is facing a maximum statutory sentence of 40 years and up to \$2 million in fines. AUSA Marina Garcia Marmolejo; AGENCY: DEA & Border Patrol.

DEPUTY CONSTABLE LOSES SIDE JOB

Javier Nava, an off-duty Deputy Constable from Robstown, attempted to sell 18 kilograms of marihuana to undercover agents from the Texas-DPS. Nava was arrested and found to have a loaded, semi-automatic pistol in his clothing. Nava pled guilty to Possession With Intent To Distribute approximately 12.5 kilograms of Marijuana, and carrying a firearm in relation to a drug trafficking crime. In November, U. S. District Judge Hayden Head, sentenced Nava to 78 months imprisonment. AUSA Robert Galvan; AGENCY: TX-DPS.

**BORDER PATROL DOG
NOT FOOLED BY FALSE NAME**

The young man approached the U.S. Border Patrol checkpoint north of Laredo driving a 1994 Mercury Grand Marquis. He stopped and told the agent at primary inspection that he was Mark Anthony Gonzalez-Gonzalez, an American citizen. As he was talking with the agent, a drug sniffing dog alerted indicating the presence of narcotics in the Mercury. Mr., uh, Gonzalez-Gonzalez had no identification, nor any back up documentation for his name or citizenship. He was directed to secondary inspection where agents could plainly see several bundles wrapped in aluminum foil and clear plastic within the dashboard of the car. Agents dismantled the dashboard and removed 23 pounds of cocaine wrapped in 11 bundles. Agents also learned that Mr. Gonzalez-Gonzalez was really Alejandro Diaz-Perez, a 22 year-old Mexican citizen. A criminal history check revealed a 1997 Webb County conviction for possession of more than 5 pounds of marijuana for which he received a 10-year probated sentence. Diaz-Perez was arrested and charged with possession of cocaine. He pled guilty in U. S. District Court in November and is currently awaiting sentencing. AUSA: Jim Noble; AGENCY: DEA, U.S. Border Patrol.

SPECIAL PROSECUTION

TDHCA BOARD MEMBER GUILTY OF BRIBERY, FRAUD, & MONEY LAUNDERING

Dr. Florita Bell Griffin, 39, Joe Lee Walker, 50, and Terrence Bernard Roberts, age 36, were part owners of B. Hammond Homes, Inc. (BHHI), a real estate development company with principal offices in Bryan. From January 1997 to May 1998, Texas Department of Housing and Community Affairs (TDHCA) awarded special tax credits to a partnership which included BHHI as part of the development team, for the purpose of developing affordable housing for low income persons. As a TDHCA board member, Griffin voted in favor of decisions that financially benefitted BHHI, of which she was part owner. Griffin, Roberts and Walker illegally conspired to ensure that \$1,000,000 in tax credits would be awarded to the partnership which included BHHI. Griffin, Roberts and Walker each received real estate in Bryan, and money as a result of their criminal conspiracy. The charge of money laundering was supported by evidence that Griffin, with Walker's assistance, attempted to conceal the true ownership of the land and money they received.

Griffin, Walker, Roberts were convicted of conspiracy, theft by fraud, bribery, and mail fraud. In addition, Griffin and Walker were convicted of a second mail fraud count and money laundering. Griffin and Walker each face a sentence up to 55 years in prison and up to \$2 million in fines, Roberts faces a sentence of up to 30 years in prison and \$1 million in fines. AUSA: Gary Cobe & Sam Louis; AGENCY: FBI & TX-DPS.

FIVE MEN ACCUSED OF CROSS BURNING: GUILTY

Matthew Marshall, 20, of Katy admitted to U.S. District Judge David Hittner that on June 19, 2000, he set fire to a wooden cross in the front yard of an African-American family living in Katy. Marshall was the last of the five men accused of the civil rights offense to enter a guilty plea. Marshall was accused of violating the right of a family to occupy their home without intimidation and interference because of their race and color. Marshall now joins the four other 20-year-old men, all from Katy, facing sentence for this civil rights offense. He faces a mandatory sentence of ten

We will not tolerate hate crimes in this community. This case is an example of our resolve to enforce the civil rights laws fully.

Mervyn Mosbacher,
United States Attorney

years in prison and a fine of up to \$250,000. AUSA Ruben Perez & Daniel Velez; AGENCY: FBI and Harris County Precinct 5 Office.

ARANSAS PASS OFFICER CHARGED WITH USING EXCESSIVE FORCE

A grand jury in Corpus Christi returned a two-count indictment charging Officer Richard Torres Cordova, 31, of the Aransas Pass Police Department with deprivation of civil rights under color of law. The charges stem from a complaint that excessive force was used against two individuals in custody. Cordova is charged with depriving two arrested persons of the right secured and protected by the Constitution and laws of the United States not to be deprived of liberty without due process of law. The acts attributed to Cordova in the indictment are that he intentionally punched and caused bodily injury to the persons in custody while they were handcuffed. If convicted, Cordova faces a term of imprisonment of up to ten years and a maximum potential fine of \$250,000 on each count. AUSA Ruben Perez; AGENCY: FBI.

**CORPORATION GUILTY
OF ILLEGALLY STORING HAZARDOUS WASTE**

Eurecat U.S. Inc., a New Jersey corporation doing business in Texas, pled guilty before U. S. District Judge Lynn Hughes to storing hazardous waste without a permit. Eurecat, a corporation in the business of reclaiming spent catalyst, allowed approximately 2,000 tons of hazardous waste containing benzene to be stored unlawfully at its Pasadena, facility. The hazardous waste was originally generated by Phillips 66 Company. Eurecat only had permission to store waste scheduled for regeneration by them. The maximum statutory sentence for this offense is 5 years probation and a \$500,000 fine. AUSA: Joe Magliolo; AGENCY: EPA.

**SOCIAL SECURITY EMPLOYEES
CHARGED WITH CARD FRAUD**

Stephanie Woods, 36, and Sharlene Woods, 37, both of Houston, were employees of the Social Security Administration (SSA). The two women, not related, were charged with conspiring to defraud the SSA by entering personal information from social security application forms into the SSA computer data base. This data entry procedure caused the SSA in Baltimore to mail social security cards to 201 individuals who were not authorized to receive social security cards. The information which they input into their computers falsely represented that certain alien applicants were lawfully admitted into the U.S. and permitted to work when in fact the aliens were not lawfully in the country and not permitted to work. The Woods are also charged with obtaining personal background information from their computers and providing the information to others to facilitate credit card fraud that resulted in losses to eight separate credit card account holders. AUSA: Edward Gallagher; AGENCY: SSA & INS.

**WOMAN GUILTY OF BRINGING EGGS
ACROSS THE BORDER**

Ena Reyes pled guilty before U. S. District Judge Nancy Atlas to smuggling 1,500 sea turtle eggs into the U. S. in August 2000. Sea turtles and their eggs are protected by the Endangered

Species Act. Under the Act it is illegal to import sea turtle eggs without first obtaining a valid permit. Reyes faces a maximum sentence of 5 years in prison and a \$250,000 fine. AUSA: Joe Magliolo; AGENCY: U. S. Fish & Wildlife Service.

**FALSE *FORMA TRESA* DOCUMENTS
USED TO GAIN ENTRY INTO U.S.**

Virginia Guerra, 29, of Laredo, admitted in Chief U.S. District Judge George Kazen's court that on four occasions she sold fraudulent "Forma Tresa" or Form 13 documents. Form 13 is a Mexican identification card used to prove to INS the bearer's residency in the Frontera region of Mexico. This status enables one to acquire a Border Crossing Card. Using the fraudulent Forma Tresa documents, Guerra later sold a Temporary Border Crossing Card, a document which allows the bearer to travel up to 25 miles beyond the border into the U.S. The Card was then used to acquire an INS I-94 Permit, which permits the bearer to travel beyond the 25-mile limit. Guerra stated that she purchased the fraudulent Forma Tresa documents from a Mexican immigration officer for use in obtaining Border Crossing Cards and I-94 Permits, and that she had obtained more documents than those seized during the investigation. The maximum statutory sentence which the defendant faces on each of the counts ten years imprisonment, a \$250,000 fine, or both. AUSA: Dixie Morrow & Melissa Annis; AGENCY: INS.

**FINAL DEFENDANTS
IN EXTORTION CASE SENTENCED**

Lac Hong Tran, 27, and Hoa Duy Dinh, 25, were sentenced to long prison terms by U.S. District Judge Sim Lake. Dinh received 35 years for his role as leader of the gang to extort money from Vu Bida Billiards, a Houston pool hall. Tran was sentenced to just over 10 years imprisonment for participating in the scheme. Tran and Dinh and were also ordered to pay restitution to the FBI in the amount of \$19,750 for costs associated with protecting a threatened witness and to cover medical costs relating to a patron beaten at the pool hall.

Anyone having information about this crime or the whereabouts of Hien Tan Hoang should contact the FBI - Houston 713/693-5000

A pending indictment alleges that following their arrests, a co-conspirator, Hien Tan Hoang, 19, entered Vu Bida Billiards and

pulled out a handgun and fired several shots into the ceiling of the business. Hoang allegedly threatened to kill the owner and the owner's family for having his friends arrested. Hoang remains at large and is wanted by local and federal authorities for federal extortion and retaliating against a witness. AUSA: Edward F. Gallagher & Larry Eastep; AGENCY: FBI & Harris Co. Sheriff's Office.

GUILTY PLEA IN KICKBACK SCHEME

Vinij Kumsomboon, 46, of Brunei, pled guilty to paying kickbacks to a U. S. Air Force prime contractor. Kumsomboon was the former president of Southern Aerospace, Inc. Southern Aerospace had been awarded over \$200,000 in subcontracts involving the repair and replacement of aircraft parts. Kumsomboon admitted to paying approximately \$6,000 in kickback payments in order to secure the award of his particular subcontract. The individual to whom he made the payments, Charles Knobloch, has already pled guilty to receiving kickbacks in Ohio from a number of subcontractors, including Southern Aerospace. The maximum penalty for this offense is imprisonment of up to ten years and a fine of \$250,000. Sentencing is set for February. AUSA: Don DeGabrielle; AGENCY: Defense Criminal Investigative Service Office.

MAJOR CRIMES

NUMBER 10,000 FOR GULF COAST VIOLENT OFFENDERS TASK FORCE

Kenneth Tyson was a fugitive for armed bank robbery. He was arrested in November by investigators of the Gulf Coast Violent Offenders Task

Force. Kenneth Tyson's arrest was number 10,000 by the Task Force. The unit was founded in 1993 as a multi-agency, multi-jurisdictional task force that specializes in the arrest of violent offenders actively eluding arrest. The arrest of 10,000 state, local and federal fugitives demonstrates the positive effect that this interagency cooperation has had on the Houston/Galveston area. The types of crimes for which these fugitives have been arrested include high volume drug smuggling, car-jacking, aggravated robbery, murder, assault, kidnaping and various other violent crimes. The Task Force has participated in such high profile cases as "railroad killer" Resendez Ramirez, and the "Polo Shirt Bandit." Lead agencies for the task force are the U. S. Marshals Service, Harris Co. Sheriff's Dept. and the Houston PD. Participating agencies include the Sheriff Departments of Fort Bend Co., Galveston Co., and Montgomery Co., Humble PD, Pasadena PD, Baytown PD, TDCJ Internal Affairs, TX-DPS, and the Texas National Guard.

LETTERS TO COURT

Michael R. Jackson is an inmate of the Texas Department of Criminal Justice on habitual burglary and assault convictions. Jackson mailed two handwritten letters to the Dallas office of Federal District Judge Mary Robinson and Federal District Clerk Nancy Doherty. The problem was not the hand writing; each letter contained numerous threats to kidnap, and graphic examples of specific sexual assaults and death threats against both Judge Robinson and Clerk Doherty. The letters explained that these acts were to be carried out once Jackson was released from state prison. The FBI entered the case and Jackson was charged in the Southern District of Texas with mailing a threatening letter to a federal judge. U.S. District Judge Lee Rosenthal sentenced Jackson to an additional 37 months in a federal facility. AUSA: Mike Schultz; AGENCY: FBI.

WHAT I DID LAST SUMMER

Jeremy Michael Jackson, 25, pled guilty before U. S. District Judge David Hittner to committing three bank robberies in Houston between May and August 2000. Jackson admitted to robbing the Compass Bank at 2101 Mangum on May 4th, the

Bank United at 5020 San Felipe on August 4th, and the Washington Mutual Bank, at 4081 FM 1960 West, on August 9th. The maximum statutory sentence defendant faces is up to 20 years in prison and/or a \$250,000 fine on each count. Judge Hittner set Jackson's sentence hearing for February 12, 2001. AUSA: Daniel Rodriguez; AGENCY: FBI.

DIFFERENT NAME, SAME BANK

Patricia Shaw, also known as Patricia Cuttler, Patricia Conklin, 45, of Cleveland, Texas was charged with the June 28th robbery of the Woodforest National Bank in Porter. The indictment was superseded to add that she robbed the same bank in March 1998, when it was known as Humble National Bank. She faces up to 20 years for each count and fines up to \$250,000. AUSA: Daniel Rodriguez; AGENCY: FBI.

FIVE YEARS FOR POSSESSION OF CHILD PORNOGRAPHY

Ronald Scott Paul was arrested in Port Isabel in June by the FBI and the Brownsville Violent Crimes Task Force. The arrest warrant stemmed from his involvement in a conspiracy to receive child pornography that had been shipped or transported through interstate commerce via computer. Paul pled guilty to possession of child pornography received over the Internet and was sentenced to 5 years in federal prison. AUSA: Oscar Ponce; AGENCY: FBI, Brownsville PD, Harlingen PD & Cameron co. Sheriff's Office.

PLANNED SEXUAL ACT WITH A MINOR

Charles Grady Taylor, II, 47, of Biloxi, Mississippi, was sentenced to 18 months in prison, supervised release of 3 years, and a fine of \$3,000. Taylor was convicted by guilty plea before Judge Vanessa Gilmore to one count of traveling in interstate commerce for the purpose of engaging in a sexual act with a minor. Taylor used the Internet to engage in on-line conversations with an individual he thought was a 13-year old girl living in Houston. Taylor made plans to travel to Houston to meet the girl. He was arrested in the parking lot of a grocery store in Houston when he arrived as planned. AUSA: Charles Escher; AGENCY: FBI & Houston PD.

INTERNET SEXUAL EXPLOITATION INDICTMENTS

REACH ABERDEEN, SCOTLAND AND ALVIN TEXAS

In separate cases, David Ross Steinheimer, 38, of Aberdeen, Scotland, and Ethan Allan Bell, 29, of Alvin, TX were indicted on charges relating to using computers to transport and possess child pornography. AUSA: Daniel Rodriguez; AGENCY: FBI.



Machine Gun Traded for Cocaine

Lyrecha Lynn Polk, 24, of Houston, was using cocaine with another woman and two men in a Houston motel room. When the group ran out of money and cocaine, Polk traded one of the machine guns they had for more cocaine. Polk entered a guilty plea to possession of a machine gun, and faces a possible sentence of ten years imprisonment, and a fine of \$250,000. Sentencing is set for February 2001. AUSA: Richard Harris; AGENCY: ATF.

PAWNED STOLEN SHOTGUN

Richard Harry Smith, 32, of Houston entered a guilty plea to a charge of possessing a stolen firearm. Smith pawned a 12-gauge shotgun at Redi Cash Pawn in Porter. Smith admitted that he knew the shotgun was stolen. U.S. District Court Judge Nancy Atlas set sentencing for January 2001. Smith faces a possible sentence of 10 years in prison, 3 years of supervised release and a fine of \$250,000. AUSA: Richard Harris; AGENCY: ATF.

BROWNSVILLE

Juan Eguia, 31, of Brownsville was sentenced to six and one-half years by U.S. District Judge Hilda Tagle on his guilty plea to possessing a firearm. Eguia has a prior felony conviction for burglary of a habitation and was out on state parole when Brownsville police officers found him asleep in the driver's seat of his car. As he was being arrested for public intoxication, the officers discovered a loaded 9 mm semi-automatic pistol in the front seat of the car. AUSA: Joe Esquivel; AGENCY: ATF & Brownsville PD.

HOUSTON

A 34 year-old Houston man was charged with making a false statement in his attempt to acquire a firearm. If convicted of this charge, Wilson faces a possible sentence of 10 years in prison and a fine of \$250,000. AUSA: Richard Harris; AGENCY: ATF.

Robert Moses, 40, of Houston, was convicted in November of making a false statement in his attempted acquisition of a firearm. Moses faces a possible sentence of 10 years in prison, 3 years of supervised release and a fine of \$250,000. AUSA: Richard Harris; AGENCY: ATF

Thomas Fordtran, 52, of Houston was sentenced to 57 months for possession of two pistols, two rifles, and a shotgun. Fordtran was a convicted felony when the firearms were seized during execution of a search warrant at his residence. AUSA: Richard Harris; AGENCY: U.S. Marshals & ATF.

Douglas Sales, 44, of Magnolia, pled guilty to possessing an explosive. Sales is a convicted felon. The maximum penalty is imprisonment of up to 10 years, a fine of \$250,000. Judge Lynn Hughes set sentencing for January 2001.

IMMIGRATION CASES

**LAREDO JURY CONVICTS WOMAN
IN ALIEN SMUGGLING CASE**

Graciela Perez, 37, of Laredo, was convicted by a Laredo jury of conspiring to illegally transport aliens. In August, nine defendants were charged in a five-count indictment alleging a conspiracy to illegally transport and harbor aliens. Eight out of nine defendants entered guilty pleas. According to court testimony, the defendants harbored over 60 aliens at the La Hacienda Motor Hotel in Laredo, then loaded them into several cars and transported them to a tractor-trailer located behind the United Rentals in Laredo. Perez, who transported two minors in the back of her car, was found guilty by a jury in Judge Ellison's Court on November 8th.

The defendants are facing a maximum of ten years in prison and fines up to \$250,000. Sentencing is scheduled for January. AUSA: Noelle DiMarco; AGENCY: U.S. Border Patrol.

Jaime Torres-Rizo, also known as Victor Torres-Torres, a citizen of Mexico, was sentenced by U. S. District Court Judge Kenneth Hoyt to 77 months imprisonment. The defendant was previously found guilty of illegally reentering the U. S. after deportation. The defendant has prior convictions for taking a vehicle without the owner's consent, burglary, sale of cocaine (2), theft (3), assault, possession of heroin (3), and possession of crack cocaine. The defendant then illegally reentered the United States. Defendant was charged at the Texas Department of Criminal Justice in Huntsville. AUSA: Douglas Davis; AGENCY: INS.

Jose Alberto Barrios-Ramos, a citizen of Guatemala, was sentenced by U. S. District Judge Sim Lake to 96 months imprisonment. The defendant was previously found guilty of illegally reentering the U. S. after deportation, and has prior convictions for sexual assault, driving while intoxicated (6), carrying a weapon, driving while license suspended, retaliation and attempted tampering with a government record. Defendant was deported to Guatemala from the U. S., but in October 1999, he reappeared at the Harris County Jail. AUSA: Doug Davis; AGENCY: INS.

FRAUD

Economic crimes prosecutions typically involve complex investigations and extensive litigation. The cases reported here demonstrate the wide range of White Collar crimes committed in the district.

THREE YEARS FOR INCOME TAX REFUND SCHEME

Amie Hardy, also known as Jeannie Hardy, 53, was sentenced on her guilty plea to three years for aiding and assisting in the filing of a false income tax return for one of her clients. She was also

ordered to pay a fine of \$7,500. The indictment alleged that Hardy, over a three-year period, prepared tax returns for six clients which contained fraudulent deductions and credits designed to obtain larger refunds. Hardy obstructed the IRS's investigation by coaching her clients to lie to the IRS Agents conducting the investigation and by providing false documentation. Hardy provided false details to her clients regarding the fictitious farming activities. Hardy provided the names of individuals who would be unable to refute the lies because they were either dead or drunk. Hardy admitted that she had called one of her clients and asked if he would give her one-half of any tax refund she could get for him over the refund amount he was otherwise entitled to. Hardy's client taped the entire conversation and eventually turned the tape over to the IRS criminal investigators. Hardy further admitted that she prepared the client's 1994 tax return and included a fictitious farm loss of approximately \$22,273 to generate the additional fraudulent refund. Hardy also admitted that she added similar fictitious farm losses to the same client's tax returns for 1995 and 1996 and that she was paid \$2,000 for each false return. None of Hardy's tax clients have been charged with criminal wrongdoing as a result of the false tax deductions claimed on their returns by Hardy. AUSA: Albert Balboni; AGENCY: IRS.

FORMER HOME HEALTH CARE AGENCY OWNERS CONVICTED

Carrie Hamilton, Alice Miles and Richard Miles were convicted by a jury on numerous criminal counts arising out of their ownership and operation of Affiliated Professional Home Health Care Agency (APRO) from 1993 to 1998. Hamilton and Miles were convicted of conspiracy, mail fraud, health care fraud and money laundering related to submitting false cost reports to the federal Medicare Program. They were also convicted of paying illegal kickbacks to procure Medicare patients. The three defendants agreed to forfeit cars and real estate purchased with the proceeds of the offenses. The scheme involved submitting millions of dollars in false and fraudulent expenses for reimbursement to the Medicare Program. Sentencing is scheduled for March 2001. AUSA: Albert A. Balboni & Michael B. Schwartz; AGENCY: DHHS-OIG, IRS-CID, FBI.

TWO SENTENCED FOR FINANCIAL CRIMES

John Okonkwo, Jarome Okwudi, both 40-year old Nigerian nationals, were sentenced to prison terms of 21 months and 8 months, respectively, by U. S. District Judge David Hittner. Okonkwo and Okwudi were convicted in August on their pleas of guilty to conspiracy and causing another to travel in interstate commerce in furtherance of a scheme to defraud. The charges against Okonkwo and Okwudi related to a scheme to defraud a person in New Mexico by promising him \$15 million if he would come to Houston to take possession of the funds and pay a \$23,000 fee to cover costs in transferring the money. As the scheme developed, Okonkwo, Okwudi and another defendant advised their targeted victim that the money had been defaced with a chemical and would have to be cleaned before it could be taken to a bank. When the intended victim paid a sum of money to the defendants, special agents of the Houston Area Fraud Task Force arrested them. AUSA: James R. Buchanan; AGENCY: Houston Area Fraud Task Force.

FORMER CONTINENTAL AIRLINES SENIOR DIRECTOR AND ASSOCIATE PLEAD GUILTY

David Schermock, 61, and Douglas Hyde, 53, pled guilty before U. S. District Judge David Hittner to conspiracy to commit mail fraud and wire fraud involving third party contracts let by Continental Airlines in Houston. Schermock was employed by Continental Airlines from 1994 to 1998, first as the Director of Technical Purchasing, then as the Director of Airframe Repair, next as the Senior Director of Airframe Repair and Modification, and finally as the Acting Senior Director of Material Planning. In court he admitted that he orchestrated a kickback scheme for personal gain by assisting several of his business associates, including Hyde, in securing third-party vendor contracts with Continental Airlines. Schermock received 69 kickback payments in excess of \$799,000. Hyde admitted that he and Schermock agreed to conceal their business relationship from Continental. Sentencing is scheduled for February 2001. Schermock and Hyde each face a possible sentence of five years imprisonment, three years supervised release, and a fine of about \$1,600,000. AUSA: John Wagner, John Kinchen & Mike Schwartz; AGENCY: IRS & FBI.

TWO GUILTY OF UTTERING

James Esmond, 36, of Nashville, and Tracy Lyle pled guilty to conspiracy to cash counterfeited checks using false identification. Esmond was convicted of conspiracy and four counts of possessing and uttering counterfeit securities. Lyle pled guilty to possessing and uttering a counterfeited security involving a counterfeited check for \$21,895.11 payable to Tracy Lyle, CPA. Lyle was sentenced by U. S. District Judge Lynn Hughes to 5 months in prison, 5 months home confinement and ordered to make restitution of \$48,299.00 to Bank of America. Sentencing for Esmond will be in February 2001. AUSA: John Braddock; AGENCY: FBI.

MAIL FRAUD INDICTMENT CHARGES**FOUR OBTAINING BANK ACCOUNT INFORMATION**

Damian Tabor, 23, Ashante Taylor, 21, DeAdrienne Mitchell, 26, Peter Boston, 26, and Michael Delce, 28, all of Houston, have been charged in a ten-count mail fraud indictment. The indictment charges that the defendants illegally obtained customer account information from a local bank, obtained pre-printed checks in the customers' names through the U.S. Mail, and then forged and cashed checks. The offense of mail fraud carries a possible range of punishment of up to 5 years in prison and a fine of up to \$250,000 on each count. AUSA: Jimmy Sledge; AGENCY: U. S. Postal Inspection Service.

**WOMAN CHARGED WITH
CONSPIRACY TO COMMIT BANK FRAUD**

Loan Thi Hong Nguyen, 35, of San Jose, California, was charged on by a criminal information with one count of conspiracy to commit bank fraud. The information charges that the defendants and other unnamed but known co-conspirators were involved in a conspiracy to defraud Wells Fargo Bank in Houston, in connection with the deposit of checks into the account of an individual recruited by the defendant. These checks were drawn on closed bank accounts of the co-conspirators. The information charges that the defendant shared the money returned from the deposit of these checks with her co-conspirators. The maximum penalty for conspiracy is 5 years in prison and a \$250,000 fine. AUSA: John Braddock; AGENCY: FBI.

CIVIL LITIGATION

Attorneys responsible for civil litigation represent the United States in civil suits in state and federal courts. Through affirmative litigation on behalf of the government, Assistant United States Attorneys enforce federal law in areas such as environmental protection, civil rights, regulated industries, and collection of debts owed to the government. Representing the United States as a defendant typically involves defending regulations, procedures and actions of federal agencies, and representing agencies and their employees in suits which challenge their work or claim negligence.

COMMODITIES FRAUD JUDGMENT

U. S. v McCorkell - McCorkell violated the anti fraud and registration provisions of the Commodity Act. The Office filed suit and obtained a summary judgment for the United States in the amount of \$323,644.50 against McCorkell. Agency: CFTC; AUSA: John Kinchen.

**PETROCHEMICAL COMPANY
SUED UNDER CLEAN AIR ACT**

U. S. v Texas Petrochemicals - The office filed suit under the Clean Air Act against this Pasadena company for violations regarding asbestos wetting requirements and notifications along with failure to notify the EPA of a start up. Agency: EPA; AUSA: Gordon Young

PRISON GUARD DEFENDED

In *Reese v Campbell*, Campbell, a federal prisoner, filed suit against a guard for allegedly roughing him up during a pat down search. After a trial before Judge Cooper-Hill and a jury, Campbell's claim was denied. The Government filed a cost bill of \$445 that the prisoner will have to pay. Agency: BOP; AUSA: Kurt Didier.

**POSTAL WORKER'S \$400,000 SUIT
RESOLVED AT \$2,000**

Cole v Postal Service - Plaintiff, a postal worker, filed suit seeking monetary damages from the U.S. Postal Service for discrimination, breach of contract, and other claims. Her monetary demands totaled over \$400,000. The office represented the U.S. Postal Service and settled the case at mediation for \$2,000. AUSA: Liz Karpati.

**DEFENDING THE ARMY CORPS OF ENGINEERS
OVER GOLF COURSE**

Stewart v Gatlin - Stewart sued the Army Corps of Engineers claiming failure to abide by certain provisions of the National Environment Protection Act in approving a permit application by the city of Lake Jackson to develop a municipal golf course. The Office teamed with Department of Justice lawyers in defending the Corps in this litigation. The U.S. District Court ordered an investigation into certain claims concerning possible impact the project might have on migratory birds. The Court reviewed the report and granted the government's motion for summary judgment dismissing plaintiff's suit. AUSA: Sam Longoria; Agency: USACE.

PUBLIC SAFETY INITIATIVES

The U.S. Attorney's Office is committed to enhancing public safety in the district through support of local law enforcement and community-based crime prevention strategies.

**COMMUNITIES SEEKING
WEED AND SEED DESIGNATION**

Laredo and Texas City

have applied for official recognition as Weed and

Many Houston neighborhoods expressed interest in the Weed and Seed program, noted Mayor Lee Brown.

Seed communities. Mayor Lee Brown also filed applications on behalf of two Houston neighborhoods, Greater Fifth Ward and Near Northside. Corpus Christi's Northside community has completed their fifth year of designation and has also applied to renew their official recognition status.

Laredo is strategically located along the Southwest Border, and has become one of the nation's busiest land ports-of-entry. Gulfport in Houston has become a national model. Mayor Carlos Garza of Texas City expressed confidence that the existing community infrastructure of this vital Gulf Coast city of about 50,000 will develop a successful Weed and Seed program.



S POTLIGHTING McALLEN'S **WEED & SEED** **COMMUNITY**

WOMEN'S HEALTH FAIR

The McAllen Weed and Seed Community held the first Annual Women's Health Fair. The event was held at the South Texas Vo-Tech Career Center located in the Weed and Seed targeted area. The women's health fair was coordinated by the McAllen Weed and Seed Victim Service Assistant and staff from the Communities In Schools and the Americorp Program. Over 30 booths were occupied by individuals who represent health, medical, and social services fields. Primary topics mentioned were on women's health issues such as breast cancer, pediatric care, domestic and family violence prevention, and many other topics. The Hidalgo County Health Department was also on hand to give child immunization and vaccinations. Along with valuable information offered at the booths, a panel of guest speakers that consisted of local doctors, nurses, social workers, and other communities service professionals was also available to provide important facts and research on women's health. The health fair served as a resource for women of the Weed and Seed community to learn and become more

aware of the services available for them and their families. The health fair also gave agencies, clinics and organizations the opportunity to build partnerships and establish a network system of cooperation that will aid at helping the community. This event was a success on behalf of all the individuals who volunteered their time and talent to the community. A perfect example of how organizations can come together and establish Healthy Communities.

RED RIBBON RALLY

A Red Ribbon Rally was held at Seguin Elementary in celebration of Drug Prevention Week. Seguin Elementary, which serves as a Weed and Seed Safe Haven for the McAllen Weed and Seed Initiative, hosted the Rally for a crowd of 800 students. With the coordination of school principal, Blanca Sanchez, counselor, Virginia Mann, and other school staff and volunteers, the rally provided plenty of entertainment by the Lincoln Middle School Band and Nikki Rowe High School Cheerleaders, and Color Guard. McAllen P.D. had Robby the Robot and their Canine companion on hand for the students. A strong message on drug and violence prevention was also given to the students by guests speakers from the United States Marshals, Border Patrol, National Guard, Hidalgo County Sheriff's Department, McAllen and the I.S.D. Police Department, Hidalgo County Juvenile Probation and the McAllen Weed and Seed Initiative.

DAY OF GIVING

Students from Lincoln Middle School located in the McAllen Weed and Seed area participated in a day of giving. With the assistance of Public Service Officer Rudy Sturgeon who patrols the Weed and Seed neighborhoods in a 34-foot Mobile Unit, and several other patrol officers, Students Lincoln Student Council, Career Explores, and the DEFY program donated their time from a day off of school and delivered canned goods and several turkeys to needy and elderly families in the Weed and Seed neighborhoods. The event was based as a positive activity to keep the students occupied during vacation time and to deliver community service to local residents.

SAFE NIGHT OUT

Members of the McAllen Police Department, Fire Department, Parks Recreation Department, EMS Ambulance service and the McAllen Weed and Seed Initiative, hosted a Safe Night Out Halloween Festival. The festival was held at the McAllen Senior Citizens Center, located within the Weed and Seed jurisdiction. The event provided plenty of free candy and games for the local trick-or-treaters, and a spooky haunted house that were created by the kids from the McAllen Police Explorers and the local DEFY program. More than 1000 local residents came out to participate in the fun. The Halloween festival promoted a safe night out for the youth of the community, and brought together families, neighbors, and friends.

**GULFTON'S WEED AND SEED CLEAN-UP****U. S. ATTORNEY'S OFFICE STAFF VISITS****CAMPO DEL SOL - AFTER SCHOOL PROGRAM**



GULFTON'S SEED-TECH GRADUATING CLASS



FOR MORE INFORMATION

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**LAW ENFORCEMENT
COORDINATING COMMITTEE**

*Reminder: Upcoming Training Events

*Target Audience: Law Enforcement and
Victim Advocates from Texas, Louisiana,
Mississippi, and Alabama.*

Trainings To Be Announced:

Grant Writing Seminars

Cybercrimes Seminar

Crossborder Law Enforcement Mtg



**U. S. Department of Justice
U. S. Attorney's Office**

***Southern District of Texas
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Official Business